

Hearing Date: August 21, 2013 at 10:00 a.m. (Prevailing Eastern Time)
Objection Deadline: August 9, 2013 at 4:00 p.m. (Prevailing Eastern Time) (extended by agreement)
Reply Deadline: August 16, 2013 at 12:00 p.m. (Prevailing Eastern Time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

RESIDENTIAL CAPITAL, LLC, *et al.*,

Debtors.

Chapter 11

Case No. 12-12020 (MG)

(Jointly Administered)

**STATEMENT OF UNION CENTRAL LIFE INSURANCE COMPANY, AMERITAS
LIFE INSURANCE CORP., AND ACACIA LIFE INSURANCE COMPANY WITH
RESPECT TO APPROVAL OF THE DISCLOSURE STATEMENT FOR THE JOINT
CHAPTER 11 PLAN PROPOSED BY RESIDENTIAL CAPITAL, LLC, et al., AND THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Union Central Life Insurance Company, Ameritas Life Insurance Corp., and Acacia Life Insurance Company (collectively, the “Union Central Parties”), plaintiffs in the civil action styled as *Union Cent. Life Ins. Co. et al. v. Credit Suisse First Boston Mortg. Sec. Corp. et al.*, pending in the United States District Court for the Southern District of New York, Case No. 11-CV-2890 (GBD) (the “Union Central Action”) hereby submit this statement (the “Statement”) with respect to approval of the *Disclosure Statement for the Joint Chapter 11 Plan Proposed by Residential Capital, LLC, et al., and the Official Committee of Unsecured Creditors* (the

“Disclosure Statement”) [Docket No. 4157] filed by the above-captioned debtors and debtors-in-possession (the “Debtors”) and the Official Committee of Unsecured Creditors appointed in these chapter 11 cases (collectively with the Debtors, the “Plan Proponents”) for their proposed joint chapter 11 plan (the “Plan”) [Docket No. 4153]. In connection with this Statement, the Union Central Parties respectfully submit as follows:

BACKGROUND

The Union Central Action

1. The Union Central Parties filed the Union Central Action in the District Court on April 28, 2010. The Union Central Action asserts claims under the Securities Exchange Act of 1934 (the “1934 Act”) and New York state law for common-law fraud, unjust enrichment, aiding and abetting, violations of section 10(b)(5) of the 1934 Act and Rule 10b-5 promulgated thereunder, violations of section 20(a) of the 1934 Act, and violations of section 20(b) of the 1934 Act. Certain claims asserted in the Union Central Action are among the claims to be resolved through the Private Securities Claims Trust under the proposed Plan.

STATEMENT

2. The Plan sets forth a judgment reduction mechanism, apparently for the benefit of non-debtor defendants in securities litigation, which provides as follows (the “Judgment Reduction Provision”):

J. Judgment Reduction for Co-Defendants in Securities Litigation

A defendant against which a judgment is obtained on a securities-related claim that is subject to the Third Party Releases shall be entitled to a judgment credit, for each such claim, state or federal, for which contribution or indemnity from an Ally Released Party would be available if not for the Third Party Releases, in an amount that is the greater of (a) the amount of the applicable Ally Released Party’s indemnification or contribution obligation under

the relevant contract(s) as determined by a court of competent jurisdiction or (b) the proportionate share of the applicable Ally Released Party's fault as to such claim; provided that (i) no Ally Released Party shall be deemed to have admitted to such fault by virtue of this provision; (ii) nothing herein shall create a right for a defendant to obtain discovery from any Ally Released Party, or any obligation for any Ally Released Party to participate in any proceeding to determine fault, in connection with such claim; and (iii) no finding in any proceeding to determine fault shall create any claim against any Ally Released Party or obligation of any Ally Released Party to satisfy any claim.

See Plan, Art. IX.J.

3. Neither the plan support agreement nor the term sheets attached thereto require the Plan to contain the Judgment Reduction Provision, and the Disclosure Statement provides no explanation for its inclusion. The Union Central Parties further maintain that the Judgment Reduction Provision is improper for a variety of reasons.

4. The Union Central Parties have been engaged in discussions with counsel for the Committee in an attempt to resolve their concerns regarding the Judgment Reduction Provision and the accompanying disclosure issues, and intends to continue to work toward a resolution with the Plan Proponents. The Union Central Parties therefore reserve all rights with respect to the Judgment Reduction Provision and any other provision related to judgment reduction that may be proposed in future versions of the Plan and/or the Disclosure Statement. The Union Central Parties further reserve their right to supplement this Statement if resolution is not reached and to appear and be heard at the hearing to consider approval of the Disclosure Statement.

RESERVATION OF RIGHTS

5. The Union Central Parties reserve all rights with respect to the Debtors' bankruptcy cases, the Union Central Parties' claims, the Union Central Action, and the Plan.

Dated: August 9, 2013
New York, New York

Respectfully submitted,

/s/ Michael S. Etkin

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